



**MINUTES**  
**Meeting No. 39**  
**Meeting of the General Retirement System Investment Committee**  
**March 25, 2019**

A meeting of the Investment Committee of the General Retirement System of the City of Detroit was held on **Monday, March 25, 2019**, at the Retirement System's office at Ally Detroit Center, 500 Woodward Avenue, Suite 3000, Detroit, Michigan. Kenneth Whipple, Vice-Chairperson, called the meeting to order at 12:05 p.m. A quorum was present.

**ROLL CALL:**

Attendance was taken by the Committee's Recording Secretary with the following Committee Members present: Kenneth Whipple (Vice Chairperson), Doris Ewing (Secretary), June Nickleberry, Thomas Sheehan and David Sowerby.

Staff Present: David Cetlinski (Executive Director), Ryan Bigelow (Chief Investment Officer), Gail A. Oxendine (Assistant Executive Director), Kevin Kenneally (Deputy Chief Investment Officer), Michael VanOverbeke (*General Counsel* – VanOverbeke, Michaud and Timmony, P.C.) and Kristi Grden (Investment Analyst).

Committee Members Excused: None

Staff Excused: None

Visitors Present: Alicia Haskin, Great Lakes Water Authority

**APPROVAL OF AGENDA**

**Motion #19-39-01:** Thomas Sheehan moved to approve the revised agenda dated Monday, March 25, 2019 as prepared by the Committees' Recording Secretary. David Sowerby supported. The motion passed unanimously.

**APPROVAL OF MINUTES**

**Motion #19-39-02:** Thomas Sheehan moved to approve the Minutes of **Meeting No. 38, held on Monday, February 11, 2019**, as prepared by the Committees' Recording Secretary. June Nickleberry supported. The motion passed unanimously.

**PRESENTATION:**

**New England Pension Consultants**

Representative Kevin Leonard from the System's Investment Consulting firm, NEPC, discussed the following with the Committee:

- 2019 Private Equity Program Review and Pacing Plan
- 4Q18 Investment Performance Analysis
- 3Q18 Private Equity Report
- 3Q18 Private Debt Report (Credit Opportunities)
- January Performance (Separate handout)
- Direct Lending (Updated Raven Fund IV Tear sheet)

*Presentation materials were provided*

- ***Chairperson Kerrie L. Vanden Bosch entered the meeting at 12:12 p.m. and Vice-Chairperson Whipple relinquished the Chair.***

**Motion #19-39-03:** Doris Ewing moved to approve the Pacing Plan, as presented with the following considerations: allow (up to) a \$60,000,000.00 target commitments for 2019 private equity funds as well as maintain an active commitment pace in each vintage year going forward, being mindful of the Plan's liquidity needs. Kenneth Whipple supported. The motion passed unanimously.

**Updated "Tear Sheet"/ Raven Fund IV Discussion**

**Motion #19-39-04:** David Sowerby moved to acknowledge receipt of the correspondence from the General Retirement System Board of Trustees dated: March 11, 2019 with respect to (i) its disapproval of the Raven Fund IV Investment and (ii) direct that Chairperson Vanden Bosch and Chief Investment Officer Ryan Bigelow coordinate a written response as well as provide additional materials in a presentation to the Board on the Raven Fund IV Investment at the Board's April 17<sup>th</sup>, 2019 Board meeting. Kenneth Whipple supported. The motion passed unanimously.

**DISCUSSION:**

**Confirmation of selected Independent Committee Member Nick Khouri**

The Committee discussed the aforementioned matter with respect to the successor for Independent Committee member Robert Rietz. The Committee firmly believes that the most appropriate replacement is former State Treasurer Nick Khouri due to Mr. Khouri's vast investment-related accomplishments and high investment acumen and so the confirmation of Mr. Khouri will proceed. The following motion was the result of said discussion:

**Motion #19-39-05:** David Sowerby moved to designate Nick Khouri as replacement for former Committee member Robert Rietz. Said confirmation correspondence will be forwarded to the General Retirement System Board of Trustees, The State Treasurer and the Foundation for Detroit's Future. Kenneth Whipple supported. The motion passed by vote as follows:

Yeas: Sowerby, Whipple and Vanden Bosch – 3

Nays: None

Abstentions: Ewing - 1

- ***Committee member David Sowerby excused himself from the meeting at 1:48 p.m.***
- ***Note: N.E.P.C. will come before the full Board in May and address the Flash report in more detail.***

**Summary Annual Report**

**Motion #19-39-06:** Thomas Sheehan moved to approve the Summary Annual Report. Kenneth Whipple supported. The motion passed unanimously.

**Performance Evaluation/Appraisal of Chief Investment Officer**

Chief Investment Officer, Ryan Bigelow discussed feedback provided from the Committee members and Executive Director David Cetlinski with respect to his developmentally-focused performance evaluation/appraisal.

- ***Committee Member David Sowerby re-joined the meeting at 1:55 p.m. via telephone.***

**PRESENTATION:**

**Townsend Group**

Representatives Steve Burns and Greg Kurtz, from the Board's Real Estate consulting firm, Townsend Group discussed the following with the Committee:

- Detroit General Retirement System Allocation
- Portfolio Investment Guidelines
- Real Estate Overall Outlook
- Pipeline Fund Highlights

***Presentation materials were provided***

**PRESENTATION:**

**Gabriel, Roeder, Smith and Co.**

Representatives Kenneth Alberts and David T. Kausch, from the system's Actuarial firm, Gabriel, Roeder, Smith and Co. discussed the following with the Committee:

- Annual Actuarial Valuation of Components I and II

*Presentation materials were provided*

**Motion #19-39-07:** Thomas Sheehan moved to acknowledge receipt of and approve the Annual Actuarial Valuation of Components I and II for the year ending June 30, 2018 and direct that copies are forwarded to the General Retirement System Board of Trustees. Kenneth Whipple supported. The motion passed unanimously.

**CHIEF INVESTMENT OFFICER'S REPORT**

Chief Investment Officer, Ryan Bigelow, provided the following updates and discussion items for approval:

- Revised Funding Liquidation update

***-Concludes CIO's report***

**LEGAL REPORT**

General Counsel, Michael VanOverbeke, had no formal report but provided the following informational/action item:

- ASF Recoupment issue
  - The ASF recoupment cap will be performed as it happened at the time of retirement.

**Motion #19-39-08:** Kenneth Whipple moved to acknowledge receipt of the revised compliance report and requested that the Committee Chairperson be authorized to sign the report on the Committee's behalf. June Nickleberry supported. The motion passed unanimously.

**Public/Member Comments**

- None

**Old Business/New Business**

- Mr. Bigelow is working to bring Lou Vogt in before the Committee and the Board
- Trustee John Naglick is following up on the resolution of Audit findings

***Thomas Sheehan moved to adjourn meeting #39. Kenneth Whipple supported.***

**ADJOURNMENT**

There being no further business before the Investment Committee, **Chairperson Vanden Bosch** adjourned the meeting at 3:20 p.m. The Investment Committee's next meeting is scheduled for **Monday, May 06<sup>th</sup>, 2019**, at 12:00 p.m. in the Retirement Systems' Conference Room, 500 Woodward Avenue, Suite 3000, Detroit, Michigan 48226.

RESPECTFULLY SUBMITTED,

  
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RYAN BIGELOW  
CHIEF INVESTMENT OFFICER

Recording Secretary: TaKneisha Johnson